

IN THE MARION CIRCUIT COURT
AVC NO. 04-033

FILED
OCT 12 2001
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Dana Crane Shuttler
CLERK OF THE
MARION CIRCUIT COURT
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1. Respondent, Factor Direct, LTD (“Factor Direct”), is a foreign corporation, with a principal place of business at 11500 West Olympic Boulevard, Suite 540, Los Angeles, California, 90064.
2. Respondent is registered with the Consumer Protection Division, Office of the Attorney General as a professional solicitor, and solicits donations from persons in Indiana on behalf of charitable organizations.
3. The Consumer Protection Division of the Office of the Attorney General (“Division”) has jurisdiction to investigate the matters hereinafter described, pursuant to the authority of Indiana Code §4-6-9-4 and Indiana Code §23-7-8-8.
4. The terms of this Assurance apply to and are binding upon Respondent, its

employees, agents, representatives, successors, and assigns.

5. Any term used in this Assurance that is explicitly defined by Indiana Code §23-7-8-1 has the meaning set forth by that statute.

6. Respondent will comply with all the requirements of the Professional Fundraiser Consultant and Solicitor Registration Act, Ind. Code §23-7-8-1 et seq., including, but not limited to, the following provisions:

a. Before acting as a professional fundraiser consultant or professional solicitor in the State of Indiana on behalf of any charitable organization, Respondent will register with the Indiana Attorney General's Consumer Protection Division.

b. Before acting as a professional solicitor or otherwise soliciting, Respondent will enter into a written contract with the charitable organization for which it is soliciting, and will file the contract with the Division. All such contracts will:

i. specify the percentage of gross contributions which the charitable organization will receive or the terms upon which a determination can be made as to the amount of the gross revenue from the solicitation campaign that the charitable organization will receive. The amount of gross revenue from the solicitation campaign that the charitable organization will receive must be expressed as a fixed percentage of the gross revenue or as a reasonable estimate of the percentage of the gross revenue. If a reasonable estimate is used, the contract must clearly disclose the assumptions or a formula upon which the estimate is based. If a fixed percentage is used, the percentage must exclude any amount that the charitable organization is to pay as expenses of the solicitation campaign, including the cost of the merchandise or services sold; and,

ii. disclose the average percentage of gross contributions collected on behalf of

charitable organizations that the charitable organizations received from Respondent for the three (3) years preceding the year in which the contract is formed.

c. Before beginning a solicitation campaign, Respondent will file a solicitation notice with the Division. The notice will include the following:

- i. a copy of Respondent's contract with the charitable organization;
- ii. the projected dates when soliciting will begin and end;
- iii. the location(s) and telephone number(s) from where solicitations will be conducted;
- iv. the name and residence address of each person responsible for directing and supervising the conduct of the campaign; and,
- v. if the solicitation is one in which a bona fide police, law enforcement, rescue squad, or fire department has authorized the use of the name "police", "law enforcement", "trooper", "rescue squad", "firemen", or "firefighter", the solicitation notice will include a copy of the written authorization given by such bona fide organization for which Respondent is soliciting.

d. Not later than ninety (90) days after a solicitation campaign has ended and not later than ninety (90) days after the anniversary of the commencement of a solicitation campaign lasting more than one (1) year, Respondent will file with the Division a financial report containing the following information:

- i. the total gross amount of money raised by Respondent and the charitable organization from donors;
- ii. the total amount of money paid to or retained by Respondent;
- iii. the total amount of money, excluding the amount identified in paragraph 6.d.ii

above, paid by the charitable organization as expenses as part of the solicitation campaign; and,

iv. the total amount of money received by the charitable organization after deducting the amounts identified in paragraphs 6.d.ii and 6.d.iii above.

7. Respondent will comply with Indiana Administrative Code, 11 IAC 3-1 et seq.
8. Respondent will comply with the Deceptive Consumer Sales Act, Ind. Code §24-5-0.5-1 et seq.
9. Respondent agrees, pursuant to Ind. Code §23-7-8-2(f), to provide accurate and complete anniversary financial reports, which were to be filed within ninety (90) days after the anniversary of the commencement of the solicitation campaigns, to the Division no later than October 15, 2004 for the following campaigns:
 - a. Respondent's campaign with Common Cause, which was to start on July 5, 2002 and end on May 19, 2004; and
 - b. Respondent's campaign with Multiple Sclerosis Association of America, which was to start on August 12, 2002 and end on June 14, 2004.
10. Respondent agrees, pursuant to Ind. Code §23-7-8-2(f), to provide accurate and complete financial reports for the entire solicitation campaign to the Division no later than October 15, 2004 for the following campaigns:
 - a. Respondent's campaign with National Wildlife Federation, which was to start on September 25, 2002 and end on August 31, 2003;
 - b. Respondent's campaign with Vietnam Veterans of America Foundation, which was to start on June 26, 2003 and end on February 11, 2004;

c. Respondent's campaign with International Rescue Committee, which was to start on July 5, 2002 and end on May 15, 2004.and

d. Respondent's campaign with Common Cause, which was to start on July 5, 2002 and end on May 19, 2004.

11. Respondent agrees that all information Respondent provides in response to paragraphs 9 and 10 will comply in all aspects with the Professional Fundraiser Consultant and Solicitor Registration Act, Ind. Code §23-7-8 et seq.

12. Upon execution of this Assurance, Respondent will pay a total of One Thousand Dollars (\$1,000.00) to the Office of the Indiana Attorney General as costs of the Division's investigation of this matter.

13. Respondent will not represent that the Office of the Indiana Attorney General approves or endorses its past or future business practices, or that execution of this Assurance constitutes such approval or endorsement.

14. Respondent will fully cooperate with the Office of the Indiana Attorney General in the resolution of any future written complaints the Consumer Protection Division receives.

15. The Office of the Indiana Attorney General will file this Assurance with the Circuit Court of Marion County. The Court's approval of this Assurance will not act as a bar to any private right of action.

DATED this 12th day of October, 2004.

STATE OF INDIANA

RESPONDENT

STEVE CARTER
Attorney General of Indiana

FACTER DIRECT, LTD

by: Roger D. Smith
Roger D. Smith
Deputy Attorney General
Attorney No. 23152-49

by: Thomas Siegel
Printed: Thomas Siegel
Title: President

Office of the Attorney General
Indiana Government Center South
5th floor
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-4774

11500 West Olympic Boulevard
Suite 540
Los Angeles, CA 90064
(310) 788-9000

APPROVED this ____ day of OCT 12 2004, 2004.

Theodore M. Sosin
Judge, Marion County Circuit Court

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